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DD/A Registry

File 07 M-6

15 NOV 1974

MEMORANDUM FOR: Chief, DD/A Plans Staff

SUBJECT : Office of Logistics FY 1975 Unfunded
Requirements and Potential FY 1975
Funding Reduction

REFERENCES : a. Multiple Adse Memo fr C/DDA/PS
dtd 17 Oct 74, subj: FY 1975
Unfunded Requirements

b. Memo for D/L fr C/DDA/PS, dtd
12 Nov 74, subj: FY 1975
Funding Reduction

c. OL Statement to DD/A dtd 8 Nov 74
of Additional Positions Authoriza-
tion and Funds FY 1975 and FY 1976
for OL Unprogrammed Printing Support

[REDACTED]

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1. As requested by referent a. memorandum, there is
listed below in order of priority the unfunded requirements
for FY 1975 as presently identified by OL.

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[REDACTED]

Price increases for consumable supplies
and for major contract services

Continuing reimbursable utilities services
provided by GSA

Purchase of photocomposer for PSD

Renovations of space to accommodate re-
organization of Agency courier functions

Space renovations [REDACTED]

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Total Unfunded Requirements

- 1 -

[REDACTED]

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a. Price Increases

25X1 The OL FY 1975 Operating Plan and FY 1976 Plan (Resource Package) submitted May 1974 anticipated price increases of 40% for consumable supplies and of 12% for contract services for each of the two fiscal years. Although the total estimated increase for FY 1976 was authorized for the OMB Budget submission, the ceiling allowance for FY 1975 did not meet total estimated needs leaving an unfunded balance of [] Our experience to date tends to support the validity of the earlier assumption that costs will continue to increase during FY 1975 and of the necessity to meet this unfunded requirement. As illustrated in Attachment A, prices are continuing to rise. Partial compensation is anticipated as the result of continuing efforts on the part of OL and other elements in the Agency to reduce consumption and/or to find less expensive alternatives. These efforts, however, would appear to offer only partial relief in the face of the evidence illustrated in the attached statistics.

b. Continuing Reimbursable Utilities Services
Provided by GSA

25X1 The Office of the Comptroller included as part of the Agency's estimated costs for PL 92-313 the amount of [] for continuing reimbursable utilities services provided by GSA over the normal Standard Level User Charge (SLUC) criteria. The estimate of [] was furnished by OL based on use of a ratio of support provided and the cost experience for NPIC electricians (for which the Agency has been paying GSA for several years) applied to other space holdings in the metropolitan area. The FY 1975 Operating Budget allowance to OL reduced the [] To date the actual bills from GSA, projected through June, total [] leaving an unfunded requirement of [] (Attachment B).

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25X1 c. Purchase of photocomposer for PSD support to

[redacted] Please see referent c. for detailed
explanation.

d. Renovations of space to accommodate reorganiza-
tion of Agency courier functions.

Agency courier functions are being reorganized as
the result of approval by the Management Committee in
August 1974 of the Courier Consolidation Committee's
recommendations. Centralization of courier facilities
requires renovation of space to accommodate an expanded
permanent force from 40 to approximately 60 couriers.

e. Space renovations [redacted]

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25X1 [redacted] is a multi-purpose move sequence designed
to provide office expansion for OJCS, to relocate DDO/AF
and to provide expansion space for OGC and other components.
The DD/A was briefed on [redacted] by D/L on
7 November 1974.

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25X1 With the exception of [redacted] which possibly can be
deferred until FY 1976, all unfunded requirements must be met
during FY 1975. Funds for these FY 1975 requirements are not
provided in the FY 1976 OL budget.

25X1 2. Referent b. requests this Office to identify a
potential reduction of [redacted] and to provide an impact statement.

a. As background, the OL budget is one that
responds to external demands for services and support.
Examples are administrative stock, repair of office
machines, minor space renovation activities, packing
and crating, forms, postage, paper and photographic
supplies, etc. As a result, OL has limited flexibility
in unilaterally establishing the timing or levels of
funding required to meet these demands. A review of
the current status of funds and the extent of unfunded
requirements identified in paragraph 1 above leads to
the conclusion that no reductions can be made in this
area without impact on other components of the Agency.

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b. The only significant area where some flexibility exists is the category of Major Projects in the Engineering Support budget of RECD. These are major, one-time projects where timing is under the control of this office. If OL were forced to absorb a reduction of \$250, this would be applied to the Major Projects of Engineering Support.

c. The impact of such a reduction is difficult to judge. These major projects are analogous to insurance-- i.e. insurance against power failure, against environmental deficiencies, and against substandard utilities system efficiency and reliability. Since these are "insurance policies", the consequences of a reduction or elimination of proposed activities can only be conjecture.

3. Although referents a. and b. directed that personal services funds be excluded from review of unfunded requirements and potential reductions, it should be noted that:

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a. [] has an unfunded requirement of [] resulting from pay raises granted to reimbursable Wage Board personnel in August 1974 and to general schedule personnel in October 1974. Although for budget purposes these are treated as contractual services (object class 2500), we understand that this unfunded requirement will be included in the request for supplemental funding of personal services costs.

b. In addition to request for funds for purchase of the photocomposer for use by PSD, referent c. memorandum also requests an increase to the current position authorization by 7 and related [] payroll funds to cover personnel dedicated by PSD to production

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[]
Michael J. Maranick
Director of Logistics

Atts

ILLUSTRATIVE STATISTICS ON PRICE CHANGES

<u>PRINTING SERVICES DIVISION</u>	<u>July 74</u>	<u>Oct 74</u>	<u>Change</u>
Paper X-104 (30.0 M sheets a year)	\$7.20/K	\$8.40/K	+ 17%
Paper X-80-4 (.5 M sheets a year)	30.30/K	44.10/K	+ 46%
Paper X-245-2 (3.0 M sheets a year)	5.33/K	5.49/K	+ 3%
Paper X-80-1 (16.0 M sheets a year)	5.44/K	5.31/K	- 2%

(Note: X-80-1 price in Jan 1974 was \$2.75/K. Oct 74 price of \$5.31/K is 93% increase in nine months)

Above figures based on actual billings from GPO

MOTOR POOL

Gasoline (cost per gallon)	21.6¢	37.5¢	+ 74%
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(Note: July price based on DSA contract which has expired. Oct price is for gasoline supplied by Exxon)

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<div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>	<u>Spring 74</u>	<u>Aug 74</u>	
Polyurethane 2" x 18" x 36"/sheet	\$1.75	\$2.30	+ 31%
Plywood 3/8" x 4' x 8'/skid	456.00	608.00	+ 33%
Fiber Board 60" x 120"/sheet	2.96	3.00	+ 1%
Fiber Board 36" x 120"/sheet	1.77	1.80	+ 2%

Information as of 11/15/74

UNFUNDED
CONTINUING REIMBURSABLE UTILITIES SERVICES

GSA BILLINGS TO DATE PROJECTED THROUGH JUNE 1975:

Headquarters Electrician (24 hours)

Headquarters Powerhouse

NPIC Electricians

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[REDACTED] Rosslyn Generators

South Building Generator

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[REDACTED]

Key Bldg., 10th Floor HVAC

Key Bldg., 11th Floor HVAC

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[REDACTED]

South Building HVAC

Ames Bldg., 5th Floor HVAC

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[REDACTED] HVAC

Total Requirements to Date

OL OPERATING BUDGET

NPIC Electricians

PL 92-313 Funds

Total Operating Budget

Total Unfunded Requirements

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